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May 8, 2006 (Revised July 21, 2006, September 15, 2006)

Hon. James H. Welsh, Commissioner Louisiana Office of Conservation Post Office Box 94275 – Capitol Station Baton Rouge, Louisiana 70804-9275

Re: APPLICATION FOR PUBLIC HEARING

Grand Bay Commingling Facility

Coquille Bay Field Plaquemines Parish LOUISIANA

Dear Mr. Commissioner:

Pursuant to the provisions of Title 30 of the Revised Statutes of 1950 and Statewide Order No. 29-D-1, application is made on behalf of Harvest Oil & Gas, LLC (Harvest) for the calling of a public hearing after ten (10) day legal notice, to consider evidence relative to the issuance of an Order giving permission for commingling with production previously approved for commingling at the Grand Bay Commingling Facility production from the following described units, to-wit:

COQUILLE BAY FIELD

- 1) The 4,000' Zone, Reservoir A, as created by Order No. 890-V; and
- 2) The 5,000' Zone, Reservoir A, as created by Order No. 890-W.

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The unit well for the above described Units is the Clayton Williams Energy, Inc.; SL QQ 195 Well No. 2 (SN232447). The bulk production therefrom will be metered and then allocated back by means of monthly well tests. The 4,000' and 5,000' zones consist of the following described oil, gas and mineral leases, to-wit:

LEASES CONTRIBUTED BY: LEASE NAME:

Harvest Oil & Gas, LLC

State Lease 195 QQ; and

Plaquemines Parish Government, dated May 28, 1992, and recorded in COB 786, Page 743, records of Plaquemines Parish,

Louisiana

Clayton Williams Energy, Inc.

Plaquemines Parish Government, dated May 12, 2005, and recorded in COB 1098, Page 508, Entry No. 2005-00004270, records of Plaquemines

Parish, Louisiana

The method of measurement and allocation of production, which Harvest is proposing, is explained in the attached description of operations and schematic diagram for the Grand Bay Commingling Facility. As indicated, the production will be metered and then allocated back by means of monthly well tests. Harvest requests that a hearing be called so that evidence can be submitted to substantiate its proposal for the utilization of monthly well tests/meters in lieu of gauge tanks for the allocation of said production. Harvest believes that this commingling of gas and/or liquid hydrocarbons, and the use of well tests/meters for allocation of production in the manner proposed will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest the opportunity to recover his just and equitable share of the production.

Harvest will provide for the advertisement of the legal notice in a newspaper of general circulation in the vicinity of the Coquille Bay Field and will post the legal notice in a prominent place in the area of the Coquille Bay Field. Harvest will also mail a copy of said legal notice to the interested parties, including operating and royalty interests.

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Attached are (i) a copy of the description of operation and schematic, (ii) a list of Interested Parties, including operating and royalty interests, (iii) a signed statement of reasonable, accurate measurement, and (iv) a check in the amount of \$755.00 to cover the fee for this application.

A copy of this application is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana, and to each Interested Owner, Represented Party, and Interested Party after a reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

All inquiries concerning this proposal should be directed to Robert A. Schroeder, Post Office Box 681, Mandeville, Louisiana 70470-0681, telephone (985) 626-7843.

Very truly yours,

Robert A. Schroeder

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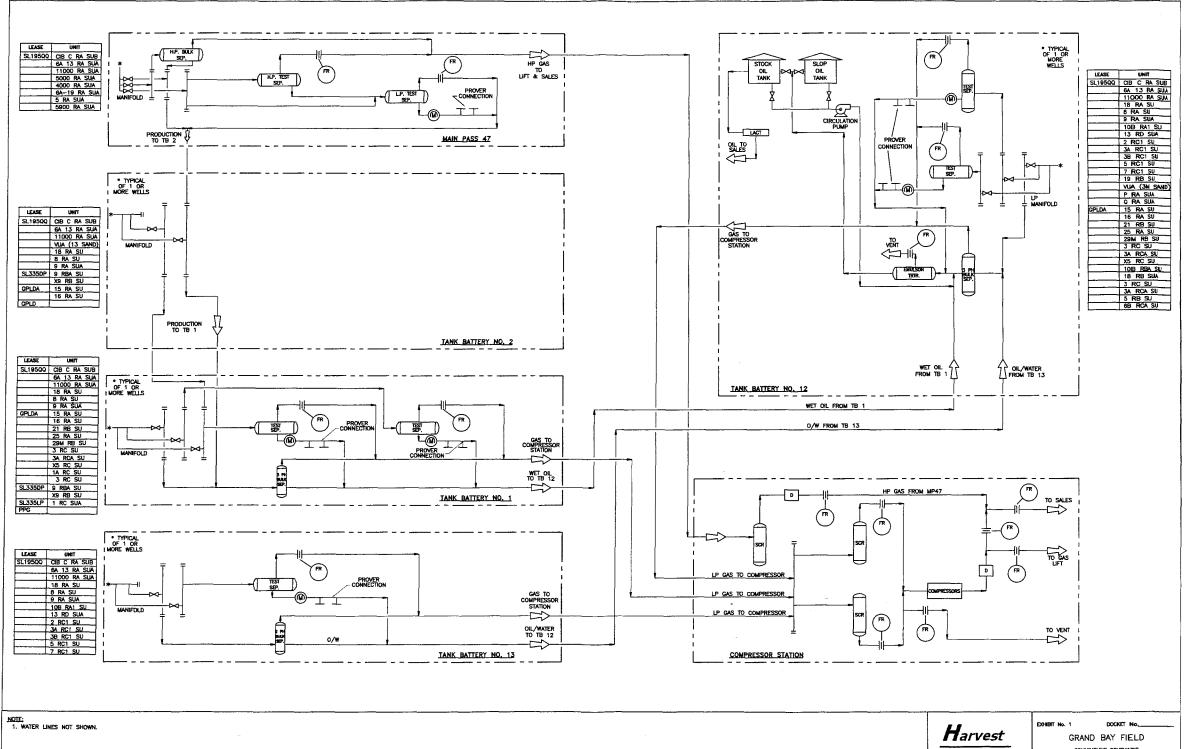
RAS:ksb Attachments

cc: Mr. Richard D. Hudson – District Manager Louisiana Office of Conservation 825 Kaliste Saloom Road, Suite 220 Lafayette Louisiana 70508-4284

> Mr. Brian C. Albrecht Harvest Oil & Gas, LLC 67201 Industry Lane Covington, Louisiana 70433-8705

Mr. Kelly P. Beckham Clayton Williams Energy, Inc. 700 Rockmead, Suite 159 Houston, Texas 77339-2106

Interested Owners, Represented Parties, and Interested Parties



Oil & Gas LLC

COMMINGLING SCHEMATIC DATE: 08-31-06 REVISION #5